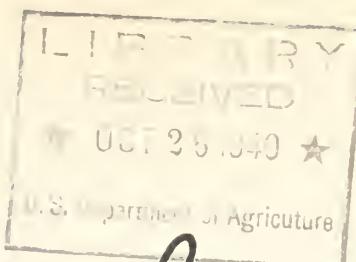


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5 Minutes of AAA NEWS BRIEFS

Facts for NORTHEAST COMMITTEEMEN

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STATEMENT BY SECRETARY CLAUDE R. WICKARD

I am glad to be able to tell you that it is generally recognized in Washington and elsewhere that our agricultural industry is better prepared than any other to play its part in national defense.

Our Ever-Normal Granary has assured us of adequate reserves of foodstuffs and fibers for any likely emergency, and, at the same time, our conservation program has stored in the soil reserves of fertility for any call that may be made upon American agriculture's producing power. Far from being "planned scarcity" the Ever-Normal Granary for the first time gives the American people "planned abundance." The farm program is so arranged as to give consumers adequate supplies at a fair price, while it helps to assure farmers of a fair return for their products.

A less tangible but perhaps even more vital result of the farm program is the accomplishment of the farmers of all States and all regions in achieving national farm unity.

Today, when America is gathering all its forces in preparation for defense, we realize more and more clearly that in the great diversity of our agriculture there must be unity of purpose and will.

We like to feel that the 130,000 farmer committeemen, selected by the vote of 6,000,000 of their neighbor farmers all over the country, represent agriculture's unity of purpose and will.

This is the kind of unity that America must develop if it is to make absolutely sure that its democracy works.

This is the kind of unity that will keep America free.

Claude R. Wickard

Claude R. Wickard.

BETTER BUSINESS MAKES BETTER FARM MARKETS

The problem of adjustment of agricultural production to market demand has acquired a distinctly new aspect because of two sharp recent trends. The first is a loss of an important part of the foreign market for farm products, growing out of the war. The other is an increase in the American market, the result of mounting prosperity accelerated by defense activities.

In order to be able to plan effectively for the conservation program, committeemen will need to watch the development of these trends very closely.

The outlook for exports of American farm products to both Europe and the East will remain black while the war continues. Nor is it probable that peace would bring substantial and dependable improvement.

The relative production of American industries in physical volume since 1922 is shown by the following Federal Reserve Board table:

Industrial Production (Physical Volume)	
	1935-39 = 100
1922	73
1923	88
1924	82
1925	91
1926	96
1927	95
1928	99
1929	110
<u>1922-29</u>	<u>91.7</u>
1933	69
1934	75
1935	87
1936	103
1937	113
1938	88
1939	108
1940 (estimated)	119
<u>1933-40</u>	<u>95.2</u>

It will be noted from the table that since 1936 industrial production has been on relatively high levels, except for the recession in 1938. The period from 1936 to 1939 averages about 3 percent higher than the commonly regarded "boom period" from 1926 to 1929. The year 1940, under the impetus of defense production, is steadily reaching higher levels. There seems to be practically unanimity among business forecasters that substantial further increase is probable.

EFFECT ON FARM MARKET

Improvement in industrial activity affects farmers' markets principally to the extent that it affects the amount paid out in wages. On the whole, farmers' markets are not much influenced by changes in the incomes of people in the upper economic brackets. It is only dollars added to the incomes of people at the bottom of the economic ladder that add materially to the sale of milk, butter, eggs, meat, and fruit.

Because of improvements in machines and production methods, the amount of labor used by industry today is even less than it was 10 years ago. An estimate for June this year, for instance, shows that production was 10 percent higher than in 1929, while manufacturing employment was $6\frac{1}{2}$ percent less.

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EFFECT ON FARM MARKET

In the present industrial pickup, the amount of money paid in wages is increasing, but much more slowly than the returns of business. According to recent estimates, the annual income of all business (except agriculture) in this country has risen slightly under 10 billion dollars in the past 2 years. The total paid in wages in all business except agriculture in the same period has increased 4.7 billion dollars. Something less than half the gain in business income has gone to those people who buy the bulk of the farmers' goods.

A favorable outlook for agriculture is largely dependent upon the extent to which this lag in wages and employment can be overcome.

NORTHEAST MATTRESS PROGRAM

As a part of the national policy of putting agricultural surpluses into the hands of those who need them, a conference on how to carry out a mattress-making program in the Northeast Region was held in New York City on September 25.

The meeting was attended by State Extension directors and home demonstration leaders, State AAA executive officers and committeemen, and representatives of the Washington offices of both organizations.

The problem of coordinating the mattress program with established Extension activities was discussed and consideration was also given to the possibility that the mattress program might provide more opportunity to work with low-income families. During the conference a practical demonstration of mattress making was carried on by New Jersey home demonstration workers.

Under the proposed program, cotton and ticking will be furnished without charge to low-income rural families, whether or not they are engaged in farming. The Extension Service is responsible for organizing the activity and instructing recipients in the methods of mattress making. AAA county committees will pass on the eligibility of applicants and handle the materials. The cotton is furnished by the Surplus Marketing Administration.

As a result of the conference, steps were taken to get the program under way in the Region's nine States. Plans for this include organization of community work centers, training of instructors, receipt and certification of applications, ordering of materials, and the actual construction of mattresses by the low-income rural people who will get them.

Appreciation by those attending the conference of the interdependence of agricultural regions and of the advantage of cooperation was expressed by Earl A. Flansburgh, AAA executive assistant in New York State and county agent leader at Cornell University.

"The South took over our surplus apples, cabbage, and potatoes. It's up to us to help use their surplus cotton," Mr. Flansburgh said.

NORTHEAST REGIONAL CONFERENCE

The annual program conference of the Northeast Region of the AAA will be held in New York City on December 4, 5, and 6. With agriculture now facing major problems arising out of the war and defense activities, this is expected to be the most important regional conference yet held.

It is expected that the delegates will formulate, as far as possible, the general policies that will guide the program of the region for the ensuing year. State conferences will follow the regional conference and more definitely decide programs of action in the various States.

The conference will be made up primarily of State committeemen and chairmen of all county committees. Regional and State executive officers and district agents will assist the committeemen.

In order to provide the fullest cooperation among all public agencies concerned with agricultural welfare, county agents, extension specialists in economics, extension administrators, State commissioners of agriculture and representatives of other regional Federal agricultural agencies, have also been invited.

Present plans include discussion of general problems of national defense, agriculture's part in defense, agriculture's place in the rapidly changing national and international situation, regional agricultural policies, and problems of cooperation with other major economic and social groups.

STARCH PROGRAM INCREASES INCOMES, AIDS DEFENSE

More than 280,000 bushels of Aroostook County potatoes were delivered to starch factories from September 17 to October 5, the first three weeks of the Surplus Marketing Administration starch conversion program in Maine. It is expected that the removal from ordinary markets of a total of about 4 million bushels of Maine potatoes through the starch conversion program will mean an increase of about \$2,000,000 to cash income of Maine potato growers and about \$10,000,000 more in cash income to the Nation's potato growers this year.

Apart from its effect of stabilizing prices for Aroostook County growers and potato producers throughout the country, the starch program has additional importance as a defense measure. Ordinary sources of American starch supply, in the Netherlands and Germany, have been interrupted by the war. This program will insure sufficient quantities of starch for use in processing textiles, in making mucilage and, if necessary, for edible purposes.

Conservation materials ordered under the 1941 program are now being delivered to farms in Maine and Vermont, according to State committeemen.